

Application Serial No. 09/373,926

IN THE ABSTRACT:

Please **cancel** previous Abstract and replace with the following **new** Abstract:

5 Detection of insurance premium fraud is provided by a predictive model,
which uses derived variables to assess the likelihood of fraud for each policy.
The predictive model produces a score, which is a measure of the likelihood of
premium fraud or abuse. The predictive model is included in a system that
10 accepts policies to be considered for scoring, selects which policies are
appropriate for scoring, stores data about the policies in a database, uses the
data to derive variables for the model, and processes and outputs the model
scores and related information. A rule-based analysis, which detects specific
inconsistencies in the data that are indicative of premium fraud, may also be part
of the system. The model scores and red-flag indicators from the rule-based
15 analysis may be further processed to provide customized output for users.